

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C.
20508**

USTR PRESS RELEASES ARE AVAILABLE ON THE USTR WEBSITE AT www.ustr.gov.

2004-62

**For Immediate Release:
JULY 23, 2004**

**Contact: Richard Mills / Neena Moorjani
(202) 395-3230**

**Dominican Republic to Join Central American Nations in Free Trade
Agreement With United States**

Agreement to Be Signed August 5 in Washington

WASHINGTON – U.S. Trade Representative Robert B. Zoellick announced today that the Dominican Republic will enter into a free trade agreement with the United States and five countries of Central America on Thursday, August 5, 2004, in Washington, DC. Zoellick will sign on behalf of the United States and Secretary for Commerce and Industry Sonia Guzman will sign for the Dominican Republic. Trade ministers from Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua will sign on behalf of their nations, resulting in an agreement among the seven countries that will be known as the United States-Dominican Republic-Central America Free Trade Agreement (DR-CAFTA). The new agreement builds on the recently signed United States – Central America Free Trade Agreement (CAFTA).

“Adding the ‘DR’ to the CAFTA also adds to the compelling economic logic of the CAFTA, by expanding the size of the market covered by the agreement by more than one-third. Our DR-CAFTA trading partners make up the second-largest market for U.S. exports in Latin America, behind only Mexico,” said Zoellick. “The DR-CAFTA will also fulfill a vision of expanded economic opportunity and trade put forward by President Bush, and continues the strong momentum of recent months in advancing our free trade agenda.”

Zoellick notified Congress on August 4, 2003 of the Administration’s intent to negotiate an FTA with the Dominican Republic. Negotiations were launched in January 2004 and concluded on March 15. President Bush formally notified Congress of his plan to sign an FTA with the Dominican Republic on March 25.

The DR-CAFTA is a regional trade agreement among all seven signatories, and will contribute to further regional integration. The Administration plans to submit a single legislative package to Congress to implement the new trade agreement with the five Central American countries and the Dominican Republic.

Combined total goods trade between the U.S. and the original five CAFTA countries was \$23.6 billion in 2003. The addition of the Dominican Republic represents an additional \$8.7 billion in annual two-way trade, for a combined total trade relationship of approximately \$32 billion.

Eighty percent of DR-CAFTA imports already enter the United States duty free under the Caribbean Basin Initiative, Generalized System of Preferences and Most Favored Nation programs; the DR-CAFTA will provide reciprocal access for U.S. products and services.

The United States has completed FTAs with nine countries – Australia, Bahrain, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Morocco and Nicaragua - over the past eight months. Negotiations are under way with Colombia, Ecuador, Peru, Panama, Thailand, and the five nations of the Southern African Customs Union (SACU). New and pending FTA partners, taken together, would constitute America's third largest export market and the sixth largest economy in the world.

The United States has FTAs in force with Israel, Canada and Mexico (NAFTA), Jordan, Chile and Singapore.

###